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UNCLAS SECTION 01 OF 02 HARARE 000244

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SUBJECT: Zimbabweans' Tale of Downward Mobility

Ref: Harare 178

1. Summary: The Embassy's Economic/Commercial section recently convened a discussion group of 25 lower-grade national employees to help us assess the impact of Zimbabwe's economic crisis on ordinary citizens. Employees described ever-worsening conditions in transport, health, education, housing and nutrition. Tragically, the world's fastest declining economy seems to be making them and their countrymen poorer each day. End Summary.

2. We restricted the meeting to national employees grades FSN 6 and lower, aiming to learn how the downward spiral is affecting average Zimbabweans. Most earn US\$150-400 per month, exceeding the salaries of counterparts outside the Embassy due to U.S. dollar indexing. We summarize the main discussion topics below:

Transport

3. As we pointed out (ref), transport between the high-density suburbs and downtown Harare has become an ordeal. Some employees spend 2-3 hours commuting each way. They criticize an increasingly common practice of van operators extorting high fees from desperate passengers. Commuter vans raise fares 5-fold when it rains. Employees are forced to pay one bribe to move to the head of the line, then a second bribe to board the van. Sometimes van operators order people to disembark at the first stop in town or in the suburbs, so they can pick-up new passengers.

4. Employees who drive now rarely secure fuel at the heavily-subsidized official price. When a worker buys fuel from the Embassy warehouse at the international market price, he spends 6-7 times as much on fuel as he is accustomed to spend on the local economy.

Health-Care

5. Quality of hospitals is sinking. Many have nearly no drugs. Meanwhile, doctors, nurses and other health professionals are emigrating and hence in short supply. Patients must pay upfront for prescription medication, then apply to their private insurer for reimbursement. However, since the insurance company can take 4 months to process claims, Zimbabwe's high inflation eats a large chunk of the money they eventually receive.

Education

6. Traditionally high education standards are similarly eroding. One employee complained that public school teachers -- who earn US\$ 20-30/month -- are so unmotivated that parents must pick up the slack and educate children in the evening. This was unheard of just a few years ago. An employee said his kid receives little attention in a class of 45 pupils, while another said he knows teachers who must oversee several grades at the same time. Still another caught his child's teacher requesting that students bring supplies from home that were never used in class. Apparently, the teacher sought to supplement his pay by unloading the supplies on the black market.

7. School fees are increasing. One employee told of a 5-fold increase since last year. Schools have stopped supplying stationery and books, which parents can only obtain on the black market. For example, a bookstore

clerk could not sell an employee her daughter's required textbook for the controlled price. Instead, the clerk directed her to a street-corner operator who demanded triple the GOZ's mandated price.

Food

18. Employees complained that it is impossible to budget for food -- which swallows most of their income -- since it is on ly available at widely-fluctuating black market rates. Many supermarkets engage in the illegal practice of "conditional selling," whereby they only offer staples like milk and bread to customers who pay a bribe or purchase a large amount of groceries.

Comment

19. Like nearly everyone here, employees are struck, even dumbfounded, by the speed of Zimbabwe's impoverishment. Although Embassy employees have gained considerably over their counterparts due to salary dollarization, many Zimbabweans who owned cars and took middle-class vacations just 2 years ago barely able to feed and clothe their families today. They watch an historically excellent infrastructure crumble and have little choice but to bribe, cheat and extort their way to basic services. Some say they have given up hobbies, since they devote their non-working hours to commuting and lining up for food, fuel or other price-controlled items. Worst of all, perhaps, is that the GOZ's economic policies are tearing apart society's moral tapestry, forcing formerly law-abiding firms and individuals into black market dealings. Without a doubt, Zimbabwe is becoming a very different place.

Sullivan